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ABSTRACT

This paper investigates certain dimensions of the term "political economy" with specific reference to its application in analyzing educational organizations. The first section reviews classical and modern formulations of political economy to show how modern political economists operate within a received paradigm embodying five basic assumptions and practices: (1) the use of microeconomic concepts in the analysis of the political behavior of groups; (2) an unresolved tension between the "purely scientific" (explanatory and predictive) and the "value-laden" (normative or prescriptive) dimensions of the concepts of political economy; (3) an underlying assumption of "economic man", i.e., that everyone desires more wealth with no sacrifice; (4) an implied hedonistic theory of motivation; and (5) an implied definition of politics as the mobilization of efforts to gain scarce resources in pursuit of individual and collective self-interest. The second section examines these assumptions by looking at alternative conceptions of some of the undergirding concepts. The following issues were examined: (1) the critical dimension (the assumption of objective neutrality in the social sciences and the critical function of theory); (2) definitions of rationality (a critique of the ethnocentricity of prevailing models, and some alternative possibilities); (3) theories of motivation (a critique of the behavioristic emphasis in current theories, followed by perspectives based in cognitive psychology); and (4) politics and prediction (the inherent deficiencies of a predictive science of political economy in rapidly changing social conditions). (TE)

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Alternative Perspectives on the Political Economy

A Paper Presented at the Annual Meeting of the
American Educational Research Association,
New Orleans, April, 1984.

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EA 016 868

INTRODUCTION. This paper concerns certain dimensions of the term "political economy," with specific reference to its application in analyzing educational organizations. Of particular interest will be alternative ways of investigating the political economy of organizations. This, in fact, is an attempt to draw upon some of the resources of the German idealist tradition as well as upon contemporary social analyses in order to investigate current notions of political economy.

As a construct, the term political economy has a certain currency, although there seems to be mixed agreement about the exact meaning. The interpretation of political economy is, in a real sense, dependent on the particular framework one works within. For political economy, this is usually traditional economic, political science, organizational-sociological or radical-sociological paradigms. These can be briefly addressed.

Adam Smith is generally considered to be the founder of the focus on political economy[1], although his focus is of a different nature than found in much of the contemporary work. Smith envisioned political economy as a discipline which by direct advice to statesmen would result in the greater appropriation of wealth for the state. In this sense, political economy had a moral and a scientific turn: scientific because it attempted to discover those principles or laws that lay behind economic development and moral because it also would provide judgements of value concerning the application of these principles. This particular emphasis, while attenuated, continued in the works of

Smith's followers, though by the time of J.S. Mill and Nassau Senior:

> [T]he Smithian conception of political economy as a science whose purpose was to perceive natural laws and formulate principles which would then be of direct assistance to the legislator in his efforts to organize governmental policy in such a way as to maximize national output, came under attack. Senior and Mill divided political economy into a science and an art...with the science having nothing definitive to say to the political artist, the legislator. (Paul, 1979: 121)

This division, a precursor to the fact-value controversy in social science in the 20th century, was finalized by Jevons's revision of the classical theory of value, "destined to put economics on a new foundation" (Paul, 1979: 229). By the latter part of the nineteenth century, there was, under his influence, an emphasis on the development of mathematical models for this new science.

The distinction of economics from political economy (the one becoming increasingly mathematical, the other more political) allows for the more contemporary emphasis in political economy -- using economic concepts to explain political behavior. This, indeed, has become a major focus of those scholarly efforts which have consciously adopted a political-economy framework. West (1967: 101), for example, calls this discipline a "newly developed economic theory of politics," while Ilchman and Uphoff (1969: 27) provide the following distinction:

> The new political economy we propose is not single-mindedly concerned, as was its forbearer, with increasing the wealth of a nation, though we recognize the importance of such increases. Nor is it preoccupied with the ideal of an autonomous economic sphere and with the consequences of government intervention for production, though it is clearly concerned with the effects of political choices on the production and exchange of goods and services. The new political economy may be described as the analysis of the consequences of political choices that statesmen and other persons make involving the polity's scarce resources. It aims at improving the efficacy of these choices ..."

This particular model of political economy advances an economic paradigm largely based on rational choice and self-interest. While Weaver (1973: 2) appears to define political economy as a radical break with orthodox economics, insofar as it asks questions "to which the old paradigm does not provide satisfactory answers," it would seem, rather, that political economy generally builds upon the economic model rather than rejecting it.

Examples of this would be Olson's (1965) seminal work which certainly advances an economic explanation for political activity and inactivity. Here, the problem of lack of competition for scarce resources, as say among the immobilized poor, could be explained in either psychological terms (apathy) or, as he might prefer, in economic terms - the lack of incentives to spur "collective action." Hirschman's (1970) analysis of political and

economic options ("exit" and "voice") available to social members in a similar fashion builds upon the economic, self-interest doctrine.

It is in this sense of political economy that West (1967), Michaelsen (1977), and Boyd and Crowson (1981) apply the concepts to education. West's analysis uses political economy to retrospectively "predict" the development of a free school system in 19th century American society, despite the adequacy of the previous rate system. West's analysis applies the "maximization hypothesis," i.e, self-interest, which explains private, market-centered behavior, to public, collective behavior (1967: 114). Thus, he shows that demand for free schools originated not among its "clients," but from teachers and teacher institutions which, for one, would benefit from the disestablishment of a somewhat tardy wage reimbursement system in favor of government-controlled taxation for payment of salaries.

Michaelsen (1977) extends West's framework to examine and critique the "development of school bureaucracy" hypothesis put forward by revisionist historians. In this case, he reviews Katz's Class, Bureaucracy, and Schools (1975) in light of political economy and finds the historian's conclusions wanting. Katz's conclusions concerning the emergence of a bureaucratic school system, the result of professional mobilization, are lacking, in this analysis, in crucial dynamics, particularly, the political nature of the budgetary appropriation process and the underlying theory of motivation. Rather than ascribing bureaucratization to a rather abstract consolidation of social

forces arising from a class-based society, Michaelsen would argue that the interaction of economic interests and of political process, as these appear in modernized society, provides a more realistic way of explaining the development of bureaucracy.

Boyd and Crowson's (1981) extensive review of school administration enthusiastically endorses a political economy (or, as they prefer, a "public choice") approach to examining educational organizations. For these authors, this approach:

> [P]rovides a deductive theory moving from the behavioral postulates of the rational choice paradigm to the likely consequences for behavior of the specific features of the incentive structure of particular institutions or organizations. While it proceeds from a priori assumptions about human behavior, it generates empirically testable propositions. (1981: 322).

Their concern largely lies in dealing with the apparent "paradigm shift" developing in respect to the study of not only educational administration but organizational theory in general. In particular, they review Perrow's (1978) lament that much of what passes for organizational theory is simple mystification, and fails to explain the so-called dysfunctions in organizations. This, as well as outright rejections of orthodox administrative theory (Greenfield, 1983) and critical analyses of such theory (Bates, 1983; Foster, 1980a), lead to the questioning of and dissatisfaction with theoretical developments in educational administration particularly. Boyd and Crowson attempt to resolve these problems by contrasting (within a Parsonian

structural/functionalism) various organizational concepts, such as loose-coupling and organized anarchies, with a public-choice model, and find that public choice offers "a rational explanation for much that otherwise appears irrational...." (1981: 357).

A more organizationally-specific and "middle-range" oriented perspective on the political economy is offered by Zald (1970). His work differs from the previous by virtue of its stronger concentration on the internal politics and economics of organizations, rather than on collective choice per se; yet, the emphasis on organizations, power and resources remains. Zald, in effect, divides the political economy into an external (or environmental) dimension and an internal (or organizational) dimension. He then suggests that organizations, in much the same fashion as nation-states, have constitutions which delimit the distribution of power and resources. It is the interplay of politics and economics, both within and outside of the organization, and the link to change in the constitution, which distinguishes this approach to organizational analysis.

The radical-sociological paradigm will be addressed in a later section; generally, however, approaches to the political economy can be seen to reflect either classical economic views (Smith), organizational views (Zald) and political, public-choice views (Michaelsen, Boyd and Crowson).

SUMMARY. While approaches to the political economy can differ markedly (Elkin, 1974), this brief overview shows that modern political economists operate within what the often-cited

Kuhn (1967) might label a received paradigm: a framework embodying a group of commonly held assumptions and practices. While we hope to examine some of these in detail in the next section, we can summarize here some of the major aspects of this framework.

1. Political economy evidences dissatisfation with orthodox economics (and political science) even though adopting its analytic tools and presuppositions. This is to say that the formal separation of these disciplines into studies of microeconomic behavior, for one, and political systems, for the other, is transcended in political economy through its joining of the concepts of both. Still, the political economist attempts to utilize a number of micro-economic concepts in the analysis of the political behavior of groups. The value of this lies in side-stepping Charles Cooley's early observation that:

> [T]he economic theorist appears like a man who should observe only the second hand of a watch: he counts the seconds with care, but is hardly in a position to tell what time it is. (1918: 367).

2. Results of this merger are evident in two fashions. On the one hand, political economists look to their field as one with explanatory and predictive power. In this way, they may retrospectively explain collective historical decisions and developments, as well as use the model to predict future results (Boyd and Crowson, 1981). On the other hand, the emphasis on policy has decidely normative overtones, in terms of specifying, for example, the proper role of the state in the distribution of goods and rights. This tension between the "purely scientific"

and the "value-laden" dimensions are apparent in much of the work being done in this field. The tension is perhaps greatest in the field of public administration as it embraces political economy. As Jenkins (1978, Ch. 4) has observed, scholars such as Ostrom (1973), Wade and Curry (1970), and Wade (1972) have extended concepts of political economy to public administration and the decision-making context. The new political economy:

> [F]ocuses on rational choice, looks on government as an agency to allocate public goods, links the two via decision rules and tests the efficiency of these rules against given criteria. (Jenkins, 1978: 141).

The criteria here are distinctly normative in nature -- in terms of what should prevail in a political democracy run by rational citizens with an interest in issues of equity and liberty.

Further, Elkin (1974) has suggested that the principal topics of a political economy concern choice processes, value criteria and strategies; these topics can go beyond traditional economics and political science in that they raise questions of value which pertain to "integrative," normative, criteria as well as "maximizing," economic, criteria.

3. At the base of political economy stands economic man; that is, man as a rational, maximizing agent. Senior's dictum that the fact that every man desires more wealth with no sacrifice "is in political economy what gravitation is in physics....the ultimate fact...." (quoted in Mitchell, 1910) remains, though expanded, a

guiding principle. While it is recognized that actual men do not necessarily conform to the model (e.g., Downs, 1957; Perrow's, 1973, 124 ,observation that "The problem is that there is no logic to collective action except in very small groups"), it nevertheless provides the basic structure of this approach.

4. This model of rationality also supposes a methodology and a theory of motivation. What Ostrow (1973) labels "methodological individualism" appears to be the foundation of political economy studies, while hedonism is the implied motivating force for public choice.

5. Political economy also implies a theory of politics as well as an ethics. Politics, as normallly used in political economy, is essentially mobilization of efforts to gain scarce resources. The self-interest doctrine is paramount. This, in turn, implies an ethics pertinent, in particular, to the distribution of resources in society. Part of the difficulty, indeed, for public choice advocates is dealing with the majoritarian ethics implied in their model, in the sense that what is "chosen" is not necessarily in accord with what is "right" in an ethical sense. As a consequence, a number of political economists have turned to a Rawlsian theory of ethics to analyze the normative dimensions of redistribution. However, there often remains an inadequate distinction between the recording of "preference" and the recording of "belief" in public choice models.

In summary, models of political economy, as with other models of the world, have basic assumptions and frameworks which guide

investigation and which can often constrain the language in use. As an analytical tool, political economy has proven to be a powerful resource; yet it has an inadequate critical dimension. Many of the assumptions need to be examined, if only to prove their worth. The next section attempts to begin this by looking at alternative conceptions of some of the undergirding concepts. In particular, these issues will be examined:

1. The Critical Dimension
2. Definitions of Rationality
3. Theories of Motivation
4. Politics and Prediction

ALTERNATIVE PERSPECTIVES

I. The Critical Dimension:

Political economy stands as social theory: it attempts to explain (and predict) social phenomena in given political and economic systems. As such, it takes an admittedly neutral stance towards the accumulation of scientific knowledge. Thus, political economy is concerned with "what people do , not with what they say " (West, 1967: 115) and therefore adopts a scientific model premised on the ability to neutrally record behavior and then explain this behavior in terms of established economic concepts. In this sense, it follows a rather positive model of science which has had its critics in the last few years. Bernstein's (1976)

critique of orthodox social and political theory is still among the most cogent. His argument is that orthodox political theory has set as its aim the aim of the natural sciences -- to establish "testable and well-confirmed theories" (:43) which lead to laws of social behavior. In this, social scientists have sought to collect social and political data, facts whose accumulation over time will lead to empirically testable propositions. Methodologically, the researcher is both objective and neutral; that is, he can and must describe, not prescibe, and therefore maintain the separation of factual issues from value questions. This seems to be the implication, for example, in Boyd and Crowson's (1981: 322) assertion that:

> The specific theories developed out of the public choice approach thus should be evaluated according to how well they predict or explain behavior, not according to how well they correspond to humanistic notions of the complexity of human and of social behavior.

In this formulation, the political economy records behavior; it does not offer insights into the complexity of action; it remains neutral and it abstains from the provision of social or political critique. Yet, this version of social science can be discussed on three grounds: facticity, ideology and critique.

Facticity refers to the collection of data within, but without reference to, a normative framework. The assumption behind this is either (1) that the framework itself is both normal and just or (2) that a value-neutral objectivity attains in the social sciences, both not without challenge.

The first implies the cumulative development of society and a version of progress unduly optimistic in its conclusions. It sees a social order which projects an essential central value system shared by all members of the body politic, and consequently the value system which undergirds research reflects this central core of common values (e.g., an ascribed belief in Western democracy as an underpinning of public choice theories). Questions of cultural and class reproduction and distribution are only infrequently addressed. The second assumption projects an image of an objectivistic science which may not even be true for the natural sciences (see, e.g., Feyerabend, 1975), let alone the social sciences.

Such a behavioral science can become ideological in the sense of presenting an unchallenged view of reality which has manifest support for the prevailing political order. Thus, Taylor (1969, quoted in Bernstein, 1976: 110) argues that any social science framework "secretes a notion of good, and a set of valuations" and that

> The only way to avoid this while doing political science would be to stick to the narrow-gauge discoveries which, just because they are, taken alone, compatible with a great number of political frameworks, can bathe in an atmosphere of value neutrality. That Catholics in Detroit tend to vote Democratic can consort with almost anyone's set of political values. But to the extent that political science cannot dispense with the theory, with the search for a framework, to that extent it cannot stop developing normative

theory.

Even the normative theory, however, can be ideological to the extent that it remains hidden and uninspected. Political economy is probably less susceptible to this charge than other forms of social theory: however, what Boyd (1983) labels "neo-conservative political economy" certainly analyzes economic and political options which occur within the limits imposed by extant modern democracy; its analysis often consists of the "discovery of the ends a decision-maker is pursuing, and analysis of which means of attaining them are most reasonable ...." (Downs, 1957: 4) but stops short on commenting on the nature or validity of the ends themselves. This is not to say that the "radical political economy" (Boyd, 1983) is not ideological but that it presents a different ideological choice conditioned by the analysis of the linkage between the socioeconomic system and structural inequalities (Papagiannis, Klees and Bickel, 1982).

This discussion thus implies that a central function of social theory is critique, a self-reflecting analysis. This is demanded, indeed, by the tendency of the dominant paradigm of social theory to strive for an objective empiricism unclouded by questions of political ideology. The critical function of theory has been discussed widely in essays on political and social philosophy (Bernstein, 1976), critical theory (Horkheimer, 1947; Habermas, 1971, 1975), and in the "new" public administration (Ostrom, 1974; Bellone, 1980), all of which attempt to show that the value of critique lies in not mistaking "what is relative to

a specific historical context for a permanent feature of the human condition" (Bernstein, 1976: 168).

The critical function of theory has perhaps been most adequately addressed by the work of the Frankfurt School. A particular concern here has been the relationship between "theory" and "praxis," this latter to be taken in the sense of transformative action taken to enhance the achievement of the good and just state. Much of the work has been undertaken as "negative" dialectics, aimed at reviewing and critiquing current states of affairs. Habermas, as the most recent member of a tradition which goes back to the early decades of this century, has, in particular, concerned himself with the development of a critical theory of society which attempts to reformulate Marxian critique in light of more recent developments in both capitalistic and socialistic nations. While justice cannot be done to this series of complex arguments, some specific examples should be noted.

In something of an Aristotellian tradition, Habermas (1971) identifies three "cognitive interests" basic to the human condition: interest in the technical, the practical, and the emancipatory. The technical interest relates to the procuction of artifacts but more globally to the control of nature and thus to empirical science. The practical corresponds to an understanding of social life and interaction and is realized through hsitorical and "understanding" (hermenuetic) sciences. Finally, individuals have an interest in emancipation - that is, in addressing relations of power. The generation of inequal power

relations requires an analytic science, a critical science. Critique is born of the tendency of the natural sciences to objectify phenomena and of the historical-hermeneutic sciences to re-present ideological distortions common to economic and political systems. Critical theory's "ultimate aim remains an historically oriented analysis of contemporary society with a practical intent (a reconstruction of capitalist society)". (McCarthy, "Introduction," 1979: xxiii).

Making theory critical in education is necessary in several respects. For one, much of the accumulated findings of educational research seem to have "few implications for educational policy" (Ericson and Ellett, 1982: 497), yet they provide an unrealized promise that further research will yield significant breakthroughs. The positivistic model so often used will, in its search for empirical regularities, neglect the inter-subjective nature of knowledge and our dependence on linguistic structures to order our world. In this neglect, it becomes dominative. As Argyris has so rightly noted:

> [D]escriptive social science knowledge will tend to become normative. This means that its generalizations will tend to become coercive of human behavior. (1973, 266).

Self-reflecting critique can counter this tendency. Anyon (1982), for example, maintains that an adequate social science must be "empirically grounded, theoretically explanatory, and socially critical" (35), this last in the sense of penetrating the

surface illusions. This suggests a three part model for social science research, one that does not abandon rigorous empirical work, but places such work in a theoretical and critical context. Social science thus can emphasize empirical science, hermenuetic science and critical science (Habermas, 1971), even if not treating these as categorically distinct (Bernstein, 1976). Critique becomes necessary not simply as an examination of capitalism (as Boyd, 1983, seems to suggest [2]), but as an attempt to refect on so-called "natural" features of social life, in an effort to distinguish nature from forms of social domination. Failure to engage in critical dialogue is failure to attempt to realize our human potential (Bernstein, 1976: 236). Giddens (1976: 159) perhaps sums up this argument best:

> [S]ocial science stands in a relation of tension to its 'subject-matter' - as a potential instrument of the expansion of rational autonomy of action, but equally as a potential instrument of domination. (Emphasis in original)

Only the critical functions of theory allows us to distinguish between the two. Common theories of political economy can often have an underdeveloped sense of critique, insofar as they fail to address notions of rationality, politics and science.

II. Definitions of Rationality

A. In Political Economy

Clearly, an economic model of rational behavior informs political economy. Rational behavior in this model is defined as behavior which selects appropriate means to achieve desired ends. Public choice, in particular, accepts the definition of rationality as calculative behavior organized for self-interest, a definition that allows one to explain in market terms the supposed irrationality of, say, public apathy: why mobilize if the costs of mobilization outweigh the benefits or if the benefits are collective, and thus accessible without fee, anyway? Thus the economic part of political economy "draws one into a world of models that focus on individual actors functioning in such a manner as to maximize their gains and minimize their losses" (Jenkins, 1978: 122). This conception of rationality has been examined in two major ways: as an essentially incomplete explanation of rational behavior and as an inaccurate and uncritical explanation of rational behavior.

B. Discussion: Rationality -- The Incomplete Argument

This argument reflects a tradition which distinguishes market rationality from a more substantive rationality, recalling Weber's distinction between formal (means-ends) rationality and substantive (ideal-seeking) rationality. Barry (1965: 281-2), in

his analysis of Down's theory (1957), provides this persuasive formulation:

> But the market might be described as the institutionalization of impersonal ('affectively neutral') selfishness. That is precisely its advantage as a social invention replacing personal relationships between traders by the 'cash nexus.' The role of 'trader' is stripped of all content except that defined by the market. There is no a_priori reason for believing, and much evidence for doubting, that people behave the same way in the more richly structured role of organization-member, whether the organization be profit-orientated, religious or social, juryman, party member, citizen, Congressman or President.

Or, as Mitchell put it in 1910, "In fine, economic rationality is proved by ethnology to be an acquired aptitude" (1910: 207).

This line of argument has perhaps been carried farthest by scholars in what has been labeled the "new public administration." Here, attention is paid to re-attaching to formally rational behavior an ethical dimension. Economy and efficiency, those twin paragons of organizational theory, no longer serve, in these models, as the major criteria for rationality. There is, in this literature, a recognition that even "the most efficient government, and the most economical government can still perpetuate poverty, inequality of opportunity, and injustice" (Frederickson, 1980: 49). Instead of solely individualistic models of rationality, there is an attempt to build into these models a collective responsibility, such as Ostrom's (1974) theory

of "democratic" (as oppposed to bureaucratic) administration. While such analysts still adopt "a form of methodological individualism" (Ostrom, 1974: 50) in their model, there is certainly an effort to account for "extra-rational" factors which may affect governance. The doctrine of self-interest is tempered by normative standards such as Rawls's (1971) two governing principles.

Perhaps the most powerful expresssion of this line of thought is provided by Ramos's complex but appealing book, The New Science of Organizations , appropriately sub-titled "A Reconceptualization of the Wealth of Nations" (1981). A reconstruction of some of the arguments made in this seminal work will help in developing the arguments about political economy.

Ramos accepts the Weberian distinction between formal and substantive rationality, but rejects Weber's pessimistic appraisal of the progress of instrumental procedures. Ramos's concern is that the Aristotellian conception of reason, conceived of as the search for the just state, has been, since Hobbes, linguistically perverted in that reason has come to mean, in ordinary discourse, only the achievement of "the effort of centric Western populations to dominate nature and to enhance their productive capacity" (23). A market criterion has, in this view, emerged as the only criterion for judging the quality of human life and organization. In reaction to this trend, Ramos develops a "substantive theory of human associated life," in which market rationality is re-placed and limited to commerce. His effort in this regard is to call for the development of human organizations which enhance the

alternative possibilities for establishing and maintaining human relationships.

The first step in developing substantive associations lies in the analysis of cognitive politics, the "conscious or unconscious use of distorted language, the intent of which is to induce people to interpret reality in terms that reward the direct and/or indirect agents of such distortion" (76). Cognitive politics is, in essence, an attempt to socialize individuals into uncritically internalizing a set of definitions about social life. Democracy, for example, becomes a "civil theology," in spite of the fact that major decisions are made by a technocratic elite privy to confidential information. Advertising and news media, in a similar fashion, attempt to manipulate consumer taste in order to advance profits, and educational agencies present models of life which are uncritical in the extreme. While pockets of "resistance" are apparent (Ramos mentions the civil rights movement and the feminist movement as examples), these, finding avenues of rational debate closed, turn into struggles for power.

Perhaps the most definitive feature of cognitive politics, in the sense that Ramos develops this term, is with respect, again, to instrumental rationality, where this model of rational behavior is presented as the only model and thereby serves to legitimate the prevailing socio-economic structure. This then becomes the basic weakness of modern political economy: that "<u>public choice</u>" <u>is only exercised within a framework which itself limits choice only to acceptable alternatives</u>, acceptable, that is, to the prevailing power structure. Ramos (1981: 122-123) comments:

> These [public choice] theorists would see personal choice where ... there is none. They reduce the individual or the citizen to a utility-maximizing actor, permanently engaged in trading activities. The choice exercised by this actor does not confront the market, but assumes that the individual is completely included in it. His nature is defined by the requirements of the market. 'Public choice theory' as well as 'administrative theory' is predicated on a uni-dimensional model of man which envisions social space as horizontal and flat: wherever the individual goes, he never leaves the market.

Ramos's analysis is possibly more optimistic than other critiques of these same conditions; he sees, for example, the possibility of creating a "multi-centric" society -- that is, one in which there is the possibility of exercising choice between many organizational forms, some of which are market-centered and some of which are centered on moral, political or personal issues.

C. Rationality: The Critical Arguments

Ramos specifically rejects Marxian and Marxian-inspired thought on the question of rationality because such thought is conceived of in 'sociomorphic' terms; rationality, for example, can be realized only in connection with a social domain, whereas, for Ramos, reason is a construct located in the individual psyche. Yet much of Ramos's work seems indebted to the critical concepts generated by such individuals as Horkheimer (1947) and Habermas

(1971). Their analyses of the nature of reason in modern society is provocative and deserves recognition from political economists. Much of their work is a reconstruction of the Marxist critique of classical political economy as well as an analysis of the political and economic foundations of capitalistic society and rationality. The work presents a serious intellectual argument. Indeed, Benjamin (1982) suggests that there will be four theories which will dominate modern political economy in the near future: Olson's recent concern with "stable societies and economic decline", product-cycle theory, the theory of collective goods, and critical theory. Habermas, of course, is the major living representative of this last one.

The view of modern rationality presented in these works takes, certainly, a more sociological dimension than found in Ramos, locating it, as they do, partly in historical and cultural conditions. Habermas (1970), for example, has argued that historically there have been two types of rational action:"purposive-rational," corresponding to formal or means-ends rationality, and "communicative-interactive," corresponding to a substantive rationality in which communication serves as the means for discourse on rational ends. His major argument here is that historically purposive-rational action has been embedded within communicative interaction; that is, the rationality of work or labor has occured within the context of larger symbols - the search for community. Modern science and technology, however, have served to remove this feature and means-ends rationality has come to dominate other systems of communicative interaction.

Communicative interaction, in this view, deals with discourse aimed at establishing norms and values which guide action in a society. The traditional themes here deal with "justice and freedom, violence and oppresion, happiness and gratification, poverty, illness, and death" (Habermas, 1970: 96). Labor, based on purposive, means-ends action, is placed within the context of these other themes.

With, however, the progress of science, the enlightenment of social philosophers from traditions of myth, and the rise of capitalism, purposive rationality expands and becomes itself a legitimating device for the very forces that caused its expansion. Means-ends rationality, reflected in decision-rules, strategic planning, and problem-solving techniques, becomes the source of legitimation for the political system:

> ...the property order change(s) from a political relation to a production relation, because it legitimates itself through the rationality of the market, the ideology of exchange society, and no longer through a legitimate power structure. It is now the political system that is justified in terms of the legitimate relations of production ... The institutional framework of society is only mediately political and immediately economic ...." (Habermas, 1970: 97).

However, if the relations of production are shown to invalidate the theory of just exchange, as Marxian analysis of liberal capitalism would claim, than the ideology supportive of the poltical sphere is threatened. This, in Habermas's view, leads to a legitimation crisis

for liberal capitalism. The response to this is to necessitate the intervention of the state in order to regulate the economy. This is now a new historical phase, that of advanced capitalism. Since the need for legitimation remains unchanged, yet the structure for legitimation has fundamentally altered, the state must come up with an alternate source of legitimacy. The rise of the welfare state (Ver Eecke, 1982, claims that liberal capitalism implies paradoxical and competing ethics, private gain and public welfare), the implementation of compulsory schooling (with its progressive ideology) and the growing linkages between science, technology and state administration have all been offered as possible and interdependent avenues for establishing legitimation.

To the degree, however, that the state administration cannot rationally engage in long-range planning for economic growth (because, in part, of inability to control economic imperatives), the possibility for a rationality-crisis (Habermas, 1975: 61) remains. Essentially, a rationality deficit is related to modern society's affiliation with purposive-rational action, insofar as expectations are raised in regard to achieving material ends but the supporting normative structure disintegrates.

This serves to point out the pervasive influence of instrumental rationality in contemporary society. Whether or not one agrees with the specifics of Habermas's claims, the arguments concerning the dominance of instrumental rationality have appealed to a number of scholars outside of the Critical Theory tradition. Giddens (1973: 275) provides a persuasive analysis of modern rationality; in discusssing Weber's ideas on this subject, he finds that:

> The process of the expansion of technical rationality is accompanied by two other phenomena: the 'disenchantment' of the world, and the concomitant replacement of mystical or religious norms by abstract 'rational-legal' imperatives. ... On the one hand, religion, magic, mysticism, become inevitably squeezed out of the organisation of human conduct in the major institutional spheres of our society; on the other hand, the predominant forms of social protest become utopian, futile outbursts against the imperatives of rationalisation, and themselves assume a 'mystical' character.

Giddens captures here the essence of rationality in modern society: that the previous normative structure is jeopardized while at the same time protests against these developments themselves become categorized as "irrational." At the same time, however, this march of rationalization does free men from the dominance of tradition and myth and opens the possibility for discourse on the process itself (Habermas, 1979).

This, in turn, might be explained by the concept of "hegemony," (Gramsci, 1971) specifically as it suggests that elites will tend to create those conditions necessary for the perpetuation of their power, including the institutional support of elite values and the furthering of ideological interpretations of society, but that <u>these attempts are never simply "given," but have to repeatedly be reinforced.</u> The implication of this is that, given the successful structuration of many institutions to meet these qualifications, many individuals wind up not having "rational choice" in the fullest sense of this term: their choice

is predicated not on a fully rational discussion of the ends involved, but is "conditioned" in a sense by the dominant ideological system. This conditioning occurs in at least the Frankfurt School's development of depth psychology, through such agents as the school, the mass media and the family. As Giroux's analysis (1982: 34) puts it, for the Frankfurt School, "the cultural realm has become a new locus of control for that aspect of Enlightenment rationality in which the domination of nature and society proceeded under the guise of technical progress and economic growth." Through the development of rationality geared to the profit motive, modernization involves "massification;" the presentation of art, media and schooling, for example, on a basis geared to maximum consumption, wherein "...either the memory of a historical truth or the image of a better way of life is rendered impotent...." (Giroux, 1982: 35). The description of two anthropological studies, one undertaken with with a radical perspective, the other from a mainstream point of view, might help to illustrate these claims.

The first is Willis's ethnography of English school children (1977). Willis does an ethnographic study of working-class children in a school setting, and introduces his study with the following introductory commentary: "The difficult thing to explain about how middle class kids get middle class jobs is why others let them. The difficult thing to explain about how working class kids get working class jobs is why they let themselves" (Willis, 1977: 1). In the culture of the environment within which they find themselves, these working-class kids find their rational

choice to be conditioned indeed by the nature of the opportunities provided: the culture "comprises experiences, relationships, and ensembles of systematic types of relationships which not only set particular 'choices' and 'decisions' at particular times, but also structure, really and experientially, how these 'choices' come about and are defined in the first place" (1977: 1). The choices to be made, then, are culturally conditioned by the nature of the political and economic structure of the particular society, and it is this, it might be added, that is the pertinent fact in examining all "choice" models. This is the central issue in talking at all about class-based society -- that the particular choices to be made are circumscribed by features beyond the control of the affected individuals. However, the major point made by Willis is that this situation is never completely "structured," in the sense that cultural conditions are automatically assimilated by various class groupings: "In order to have a satisfying explanation we need to see what the symbolic power of structural determination is within the mediating realm of the human and the cultural" (Willis, 1977: 171). Rather, these structural conditions can be "penetrated" and "resisted," and "Social agents are not passive bearers of ideology, but active appropriators who reproduce existing structures only through struggle, contestation and a partial penetration of those structures" (Willis, 1977: 175), though in the end the outcomes are often accepted. In this case, the message that comes through in these arguments is that resistance to the system, as expressed by working class rebellion, vandalism, etc., is symptomatic of the

exposure of the determinants of class reproduction, yet at the same time is capitulation to the demands of the system. In protesting the system, the "lads" in Willis's work indeed withdraw from the very system that could advance them economically and socially. This is indeed an ironic conclusion: these schoolboys resist a social structure which will normally channel them into manual-labor jobs needed to maintain the economic infra-structure, yet still accept their place in this system by refusing to become of the same kind as the middle-class children they observe; this refusal solidifies their position in the lower classes. In this account, then "rational choice" has certainly to be qualified by accounts of both ideology and culture; the notion of rational man put forth by public choice theorists seems to be quite limited when one takes into account the effects of culture on the idea of choice. Willis's study, if it shows anything, shows the effects of culture as that concept is modified by social and economic demands. Individuals, through no accident of their own, are born into such cultures, and thus learn to live by the rules of such cultures. Rational choice, in theory, appeals to our sense of individual ability to exercise control: to determine, if only on a slight basis, a control of our individual destinies and over the future of our social and political systems. Less comfortable, certainly, is the idea that much of our rational choice is indeed culturallly conditioned, and that cultural conditioning is manifest in social, economic and political systems.

Another anthropological study offers further insights into the nature of Western rationality. This is Gladwin's (1970) study

of the Puluwat Islanders (and see, Keddie, 1977; Foster, 1980b). Gladwin does a study of these Trukese islanders with particular attention to their renowned ability to navigate long distances without the benefit of any sort of navigational devices, other than a traditional system. In addition to providing an account of the techniques involved, Gladwin also addresses the relationship between these islanders and the poor in the United States, and, in so doing, illustrates processes of thinking and of rationality between the two groups. The point in using Gladwin's analysis lies in a discussion of what constitutes rational behavior and what the linkage is between rationality and cognition. In Western society, a number of assumptions are made about the relationship between rationality, thought and society:

> 1 that rationality is distinguishable from irrationality;
> 2 that in Western scientific thought rationality exists in its most quintessential form;
> 3 that industrialization and scientific progress are correlates;
> 4 that industrialized societies are distinguishable from non-industrialized societies on various criteria ... of which rationality/irrationality is one;
> 5 that man in industrial societies is - or ought to be (the distinction is not always clearly made) - rational. (Keddie, 1977: 11).

By these criteria, this group of islanders, both unschooled and unindustrialized, would appear to be, if not irrational, arational. That is, if rationality is identified with abstract thought processes (as Strike, 1982: 12, seems to imply when he

maintains that "The basic commodity that schooling should distribute is rationality") and an "elaborate" code (B. Bernstein, 1971), then, by these standards, this group could hardly be called rational because of their lack of formal schooling, their difficulties with even "culture-free" intelligence tests, and their unfamiliarity with heuristic processes (Gladwin, 1970: ch. 6). Yet, to his credit, Gladwin is able to show that despite the appearance of concreteness, these islanders indeed engage in complex, intelligent and abstract thought: "... Puluwat navigation is a system which simultaneously employs fairly high orders of abstraction and yet is pervaded by concrete thinking" (Gladwin, 1970: 222).

Another way of making this point is to claim that it is a mistake to identify rationality with either schooling, science or instrumental behavior; that perhaps the Puluwat's navigational system embodies a form of substantive rationality which relates their behavior to a wider context of action rather than in heuristic (or instrumental) behavior. The distinction between abstract and concrete thought, and therefore between rational and irrational behavior, may indeed be more of an artifact of Western ethnocentrism than it is representative of the human condition.

The critical arguments concerning rationality, illustrated by examples drawn from anthropology, thus suggest that a number of the assumptions taken for granted in the political-economy approach may be faulty, or, at least, incomplete. Rationality may involve a more complex web of culture, cognition and action than is normally considered. While simplifying defintions are needed,

these cannot be confused with the reality to attempt to portray.

III. Motivation

Embedded within political economy is a theory of motivation. Indeed, motivation is central to political economy, given the doctrine of self-interest and the utilitarian ethics that support the framework. But, as Jenkins (1978: 127) asks, "Is the underlying theory of motivation comprehensive enough?" It can be argued that it is not, largely because it fails to account for personal and organizational affiliations and for culturally-specific motivational imperatives. In a way, though, one can concur with the self-interest hypothesis and the doctrine of methodological individualism; the problem, though, is that in so doing we are forced to abandon other, useful concepts and thus are left without explanatory tools for examining such helpful constructs as altruistic norms and supra-individual motives. The use of methodological individualism tends to be reductionist, where all behavior is explained as being motivated by (largely economic) self-interest. Olson's (1965) development of the idea of "selective incentives" is a prime contemporary example. But, as Barry (1982: 136-7) points out, Olson's theory

> [P]redicts that public television will never have subscribers, unless some immensely wealthy person regards it as worth his while personally to underwrite its costs in his area, and it similarly predicts that the only people to

> join the Sierra Club will be those attracted by its 'selective benefits,' such as trips. Yet, both of these predictions manifestly fail to fit the facts.

The reason lies in an inadequate theory of motivation [3]. While Barry defends <u>in general</u> methodological individualism (in part, because of its tautologous way of saying that individuals are indeed the foundation of social order), he admits that in practice "there are usually inadequate self-interested reasons for contributing to a collective good derived from the difference one's contribution will make....(1982: 138).

This theory of motivation must be derived from the utilitarian doctrine that self-interest, in terms of maximizing pleasure and minimizing pain, lies at the heart of social relations. If the individual makes his choice based on a calculus of self-interest, then the collective good depends on the extension of this calculus to the aggregate; institutions which allow citizens to maximize their self-interest thus become good institutions. Such institutions must, hwoever, maximize the <u>average</u> utility, otherwise a few can profit at the expense of many and the basic premise is violated. Yet there is no ethics in utilitarianism which prevents its misuse:

> A strategy to show that utilitarianism can lead to noxious consequences results from noting that the justification of rights under utilitarianism depends on the <u>empirical</u> connection of rights

> with the average utility. Thus rights can be undermined if the facts are different than utilitarians imagine. If it should happen that freedom of expression leads to rational decision-making only when it is restricted to an intellectual elite, then utilitarianism will restrict liberty to an elite. Or if it should turn out that racial bigotry reduces inflation and maximizes the average utility by keeping a small part of the population unemployed, then utilitarianism can justify racial bigotry. (Strike, 1982: 227).

As a theory of motivation, then, utilitarianism fails to account for motivations which establish group norms and standards of justice; indeed, to pursue these, one must step outside of utilitarian doctrine and accept some sort of "original position" (Rawls, 1971) or governing first principles, set up as controlling factors over the private realm. Efforts to do so have been the principal source of what is new in the new public administration.

In addition, this approach to motivation establishes a research program which is behavioristic and thereby unsympathetic to deeper cognitive strategies. Public choice theory, in effect, suggests a psychology of human behavior that looks at events (such as voting records) without probing into the motivations or reasons behind them. It ascribes to the individual the same motives demonstrated by the aggregate, a faulty connection to be sure. But in looking at behavior rather than <u>motivated action</u>, this approach neglects the possible diversity of reasons behind action

and accepts a stimulus-response type of explanation for behavior. Motivation becomes an object-language rather than a mental-language, and explanations are given in corresponding terms. This suggests research which looks not at motivations of individuals, but at demonstrated behavior of individuals. Thus the theory of motivation which lies behind much of political economy is not at all a theory of motivation but a theory of behavior as this is interpreted within a behavioristic psychology.

An adequate theory of motivation must take into account not only individual motives but the means whereby these are transmitted in societies, unless one wishes to adopt a primal and universalistic doctrine, such as self-interest, which would need further demonstration of its applicability outside of liberal capitalism. Habermas (1975), for one, addresses a conception of motivation which is socially acute, and a brief outline of this is useful for the purpose of contrast.

Habermas, in essence, sees modern patterns of motivation arising from both traditional aspects (religious and mythical forms) and from modern or "bourgeois" aspects. Both forms have significance in the distribution of motivations in modern society. One is derived from traditional auspices concerning, for example, salvation through achievement, while the other addresses utilitarian types of advancement.

From this mixture of traditional and modern norms, Habermas derives two major types of motivation: civil privatism and familial-vocational privatism.

Civil privatism is the motivation of individuals to be

interested in the performance of the political system, particularly in respect to the outputs or institutional rewards it generates, but little participation in the decisional processes themselves. Habermas suggests that the 18th century bourgeois revolutions introduced active democratic participation, or at least the concept of such, but that authoritarian patterns carried over from traditional culture persist, creating in effect an elite governance corps and screening out actual citizen involvement (1975: 76). As long as the political system produces sufficient goods, citizen motivation is limited to affirmation or rejection of policies developed at the governance level.

Familial-vocational privatism represents motivation of a different kind:

> It consists in a family orientation with developed interests in consumption and leisure on the one hand, and in a career orientation suitable to status competition on the other. This privatism thus corresponds to the structures of educational and occupational systems that are regulated by competition through achievement. (Habermas, 1975: 75)

As with civil privatism, familial-vocational privatism reflects a combination of traditional and modern structures: traditional ones in the sense of civic and religious respect for authority and acceptance of place; modern ones in the sense of individualism and utilitarian ethics.

It is Habermas's thesis that these motivational patterns are being eroded and that this erosion may lead to a legitimation

crisis. That is, the traditional structures are being eroded insofar as they are exposed to the harsh need in modern society for rational justification, a need demonstrated to be crucial by the convincing progress of science and technology, a progress which undermines simple beliefs. The modern structures, though, are also being eroded, as "people lose faith in the market as a fair distributor of scarce values (as the state's very intervention raises issues of distribution and as the increasing level of education provides aspirations and expectations that cannot be coordinated with occupational opportunity etc.)" (Held, 1980: 293).

By admission, Habermas's notes on motivation beg the question of whether and how "cultural patterns are reflected in personality structures through agencies of socialization and practices of childrearing" (1975: 76). The assumption is that they are and it is this assumption that seems so markedly different from the one embodied in utilitarian doctrine. Of course, Habermas's thesis is neither the only nor even perhaps an accurate version of human motivation. Both Held (1980) and McCarthy (1978) fault the theory in terms of its scanty empirical substantiation and the determined relationship between motivation and legitimation. At the same time, though, the thesis is suggestive and complex, and it serves to illustrate aspects of motivation which may well be neglected in other theories. Motivation, of course, is a complex question to which there has been no satisfactory answer: conflicting theories, from psychological to environmental, predominate. One can address motivation from a perspective based in cognitive psychology,

sociology or even from an aggregative business viewpoint. The concept itself is elusive, and to locate it solely in a maximization thesis leaves a number of other factors unexplored and without meaning. The retort that one accepts the thesis only for the narrow purposes of investigation is unsatisfactory for reasons discussed previously, namely that any descriptive work takes on normative overtones and the world then becomes interpreted through these lenses. With the self-interest doctrine, for example, there is an implied behavioristic psychology which then becomes the psychology for human behavior at large. The research program of conventional political economy makes a point of looking at what people "do," not what they say about what they do nor about what they intended to do. Indeed, one can hardly argue with looking at the actions of a populace; at the same time, however, one removes differential motivations from those people and reduces actions to behavior. The extension of this, implicit in the self-interest thesis, is that self-interest triggers a response in individuals to perform some behavior consistent with the maximization of opportunity; one gets, then, a variation of behavioristic theory: Stimulus yields Rational Evaluation yields Response. The problem which is not faced is the validity of determining <u>individual action from aggregate behavior.</u> Motivation, thus, remains, in political economy, a problematic concept.

IV. Politics and Prediction

The major function of political economy is its economic examination of political behavior. This raises the question of what counts as politics, and as political research, because at some point political economy must deal with the major question of what is political about political economy. This is to say that politics can have a number of definitions and the modern conception of politics as a science is only one way of approaching the subject.

McCarthy (1978: 2) illustrates the traditional, Aristotellian view:

> For Aristotle politics was continuous with ethics, the doctrine of the good and just life. As such it referred to the sphere of human action, praxis , and was directed to achieving and maintaining an order of virtuous conduct among the citizens of the polis . .... Politics, and practical philosophy generally, could not achieve the status of a rigorous science, of episteme . Because it had to take account of the contingent and variable, it had to rest content with establishing rules of a 'more or less' and 'in most cases' character.

Conventional modern political science has little in common with its traditional forebearer. Not only has modern American political science adopted procedures and methods based in a positivistic science paradigm (E. Ostrom, 1982), its study is intertwined with governmental and administrative regulation and legitimacy. The concept of the virtuous citizen is certainly alien to modern politics: rather, the focus centers on system

alignment and decision-making processes. This, since at least Woodrow Wilson's influence, alters the scope and significance of American politics. Two arguments which explore the nature of politics in the modern state are of particular interest here, both addressing the question of the legitimacy of the modern state (and thus of the political process itself). I will return once again to a brief discussion of Habermas's concerns with this issue, and then consider the educationally-specific ideas developed by Iannaccone. These should illustrate, perhaps, the variety of opinions on the role of politics and the state and put into question the normal political orthodoxy (by which we mean the concept that citizens pursue their interests through normally scheduled elections, accepting as unproblematic the basic framework) as this is sometimes accepted in political economy. Finally, consideration will be given to some current concerns about the predictive and scientific nature of political science itself.

The first thesis can be presented simply. It is, however, important to first note that Habermas provides a projective analysis of tendencies and situations current to modern Western democracies, rather than an empirical statement of what is. In noting certain developments, he then projects consequent results; the arguments are not to be taken as the uncontested incrimination of industrial societies, but rather the critical analysis of tendencies in those societies which, unexplored, lead to what only can be called a dissolution of traditional democracy.

The supporting arguments begin by tracing the transition from

traditional to liberal-capitalistic to late-capitalistic society. Late-capitalistic society is characterized by three major sub-systems: the economic, the cultural and the political-administrative. It is this last one, the political-administrative, that is of particular interest. In modern economy, the role of the political-administrative apparatus is greatly strengthened because of the need for government intervention to offset the economic problems (such as the tendency toward oligopolistic conditions) inherent in liberal capitalism. In order to meet the demands of its changing role, the state establishes more penetrating bureaucratic structures, increases taxation to support these, publicizes formerly private domains and pursues rationalistic growth and management strategies (Held, 1980: 290). This results in the rationalization (in the sense of the previously discussed instrumental rationality) of procedures and their localization in the bureaucratic structure rather than in the political system. This then is the gist of Habermas's observations: that politics becomes, in the modern state, redefined to mean not rational discussion of ends but the organized distribution of resources. Democratic participation is limited to periodic opportunities to affirm leaders, and policies are selected by leaders with respect to how much pressure select interest groups can bring to bear, or with respect to the decision and planning activities of a select group of technical experts (systems analysts, operations researchers, etc.).

> Democracy...is no longer determined
> by the content of a form of life
> that takes into account the

> generalizable interests of all individuals. It counts now as only a method for selecting leaders and the accoutrements of leadership. .... It is now only a key for the distribution of rewards conforming to the system, that is, a regulator for the satisfaction of private interests. This democracy makes possible prosperity without freedom. It is no longer tied to political equality in the sense of an equal distribution of political power, that is, of the chances to exercise power. Political equality now means only the formal right to equal opportunity of access to power, that is, 'equal eligibility for election to positions of power.' (Habermas, 1975: 123)

Habermas's view of politics and democracy is not, though, a call for the recrudescence of traditional theory. Much of his work (e.g., 1979) is devoted to considering the possibilities for the future for a true democratic regime where rational discourse is the guiding norm. This view requires that one take a critical perspective on current conditions, and in respect to political theory, Habermas is indeed critical of the theory of democratic rule by elites.

Another view of the political dimension important to the study of the political economy is that developed by Iannaccone. In a more conservative approach, Iannaccone distinguishes his analysis of legitimacy concerns in modern states by finding that "The crisis of the regime is an older form than the specific crisis of advanced capitalism" (1984: 12). This is to say that

> [A] universal tendency exists in all social groups and organisations to develop towards a condition of

> homeostasis, reducing internal fluctuations - especially as these might threaten their elites. At the same time, and, indeed, essential to this development, there is the tendency of organisations to protect themselves from external interference. This is attempted, often by sealing themselves off from potential influences around them, sometimes by seeking control of these (1984: 11).

Such a state has perhaps been reached in American politics, because the philosophy that "public service is best rendered scientifically and objectively in special structures of governance by a professionally trained meritocracy of civil servants and administrators" (1984: 8) has proven to be problematic insofar as the rewards promised by such a system (in the case of education, equal opportunity and advancement) have not been readily visible. Public expectations are increased, but not satisfied. In an ever-spiraling attempt to rectify declining public belief, the state engages in expanding reform and measurement programs, while still maintaining an "adequate illusion" of hope and progress; in education:

> Basic educational issues relating to race, religion, ethnicity, poverty, and the rights of pupils and parents were neither handled as public affairs for political debate nor addressed directly by the privatised conflicts within the institution. These has effectively been set apart from both realms by the new political paradigm's promise of equal access to education and equal opportunity for

> social mobility through education. The new paradigm and its promise of equality through bureaucratic centralisation, value-free scientific management, and efficiency provided an adequate illusion of a solution to replace the potential war of attrition threatened by the political conflicts of the late nineteenth century (1984: 23).

The penetration of the illusion can lead, Iannaccone claims, to a crisis of legitimacy for the state itself, unless the political and administrative process generates new illusions. "Number-crunching techniques and models produced data glued together by the hegemony of the logical-positivist ideology of the administrative State and repaired the wall between politics and educational apolitical governance. That wall is much weaker today than ever before in this century" (Iannaccone, 1984: 30). It remains to be seen, in this view, what emerging ideology will come to legitimate the state educational apparatus in this era of concern over public schooling.

While both Habermas and Iannaccone come from completely different traditions and approaches, they seem to have in common a realization that the political dimension now is markedly different from any other period. In common, they both impute a rationality to individuals, and they both critique the dominant scientific approach to the study of politics. For political economy, their work questions the hope for a predictive science of human behavior based on documented public choice (Boyd & Crowson, 1979), or, perhaps, questions the legitimacy of this goal. They show, instead, that modern political behavior is problematic at best,

and perhaps best understood through historical and critical perspectives. Tendencies towards legitimacy crises (Habermas) or towards new illusions (Iannaccone) suggest that a business-as-usual approach to the study of political economy is no longer appropiate.

It has even been suggested that the proper role of the social sciences is historical (Benjamin, 1982) and that political study is a "commitment to human freedom" (Moon, 1982: 151). This is because, in part, the very concepts in use, such as "voter," "political parties," etc. presuppose a given historical context and take their meaning from that context (Moon, 1982: 169); thus, ahistorical laws similar to the ones found in the natural sciences are by definition limited. What remains is the analysis of historical epochs in terms of their contribution to our understanding of freedom and rationality, and "To the extent that the occurrence of certain social processes depends upon the ignorance of the participants in those processes, the knowledge that results from political inquiry would cause those processes to be altered in potentially fundamental ways" (Moon, 1982: 176). Thus, our developing knowledge of political process enables us to modify that process -- a procedure unlikely with scientific and invariant natural law. To the extent that political economists and public choice theorists wish to develop laws of social behavior, that hope is misplaced. Seeing political economy as a predictive science rather than as an historical tool leads to a conservative and probably unproductive analysis of modern society. Political economy can be a broader vision of social and productive

relationships. To see it as solely dealing with problems of scarce resources and the prediction of voter behavior is to rob it of some meaning. Elkin (1974: 420) gives a summary comment:

> There are other, equally important, kinds of societal concerns where such [economic] considerations are less central. The level of trust, altruism, and feeling of solidarity, for example, are also central considerations for a society. While they may be in short supply, they are not consumed the way iron ore is, if indeed they can be said to be consumed at all. They may actually increase with use, and their scarcity, if present, is not due to a lack of resources in any simple meaning of that term.

CONCLUSION. Approaches to the political economy vary to a considerable degree, but even so are in many ways conceptually superior to many pluralist or elite theories of democratic governance. At issue, perhaps, is the degree to which critical, radical theories can be reconciled with neo-conservative approaches to the political economy. I have here attempted to outline some of the areas where these divergent strands differ most but it may also be appropriate to consider the possibility of common interests.

One consideration, certainly, is whether there is, in fact, an irreconcilable gap between critical and conservative conceptualizations. Klees and Wells (1983) argue that there is. They suggest, for example, that political and economic theory today is split by "dominant" and "radical" paradigms (: 328); that

each is infused with valuation and indeed "ultimately the basis for each paradigm is normative" (1983: 342); and that "The choice between them therefore mostly reflects value and belief systems and associated training and experience, all of which are influenced to a great degree by the prevailing structures of power" (1983: 342). In this approach, the difference between the two paradigms comes down to differences in the socialization and training of the scholars who embrace the various ways of thinking.

Beardsley (1981), however, attempts to come up with a synthesis of both liberal and Marxian perspectives. These perspectives, he finds, are each deficient in their own ways, and that "The proponents of Marxism, critical liberalism, and pluralism seemed reluctant to explore the full extent of the conceptual commonality among their views. One reason for this wariness may have been a fear on the part of each camp that such an exploration would expose partially hidden limitations of its own ideology" (1981: 160). Whatever the merits of this observation, and it does have merit, there are real differences between the various views which cannot be just intellectually reconciled.

Perhaps each theory is deficient not because of the wariness of the believers, but because of the nature of the theory itself: "...there are no easy dividing-lines to be drawn between Marxism and 'bourgeois social theory.' Whatever differences might exist between these, they share certain common deficiencies deriving from the context of their formation...." (Giddens, 1979: 1). Thus, political economy, a powerful tool to understand present

circumstances, also needs to understand the context of its formation in both liberal and Marxian theory, and to account for the deficiencies that occur not simply in theory but also in the process of democratic determination of the new regime.

NOTES

[1] I have relied on Paul's (1979) account of the development of political economy in England. She sees the intellectual change that took place in the nineteenth century (from laissez-faire doctrine to increased acceptance of governmental intervention) as a "fundamental change in moral perspective" (p. 4) and not as the gradual sophistication of the economic sciences.

[2] There is an apparent suspicion that a critical examination of Western democratic states is also an endorsement of current socialistic regimes. Thus, Boyd (1983: 9) writes that "authors in this [critical] tradition associate the legitimacy crisis of the State with the contradictions inherent in capitalistic societies, [but] the performance of Communist States such as Poland, about which they are silent, often provides more dramatic examples of legitimacy crises." The committment of scholars in the critical tradition, it should be noted, is not to any current regime but essentially to social democracy and the liberties and freedoms associated with it. Habermas's committment to the dignity of the individual and to the possibility of democratic "will-formation" stands as one prime example. The challenge for the critical theorist is, as Fay (1977: 201) puts it, to see "whether there is a way in which our theroretical thinking about man and society may be employed to guide our actions ... without at the same time encouraging a manipulative role for those in possession of this theory."

[3] Barry (1982) bases his examination of Olson's theory on Russell Hardin's Collective Action, (Baltimore: John Hopkins University Press, 1982), a "superb exposition of the basic problem of collective action" (Barry, 1982: 136).

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